

Message Text

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TAGS: EINV, ETRD, ASEAN

SUBJECT: ASEAN INDUSTRY CLUBS

1. WE PRESUME THAT APCAC WILL WISH TO DISCUSS THE INDUSTRY CLUBS IN THE JOINT SESSION WITH US DURING THE REGIONAL ECONOMIC OFFICERS MEETING IN SINGAPORE. AS ADDRESSEES WILL RECALL, THIS WAS A SUBJECT APCAC WANTED TO RAISE AT THE CHIEFS OF MISSION CONFERENCE IN HONG KONG, AND WE ASKED YOU TO CONSULT THE LOCAL AMCHAMS FOR THEIR VIEWS OF THE INDUSTRY CLUBS.

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2. THE JUSTICE DEPARTMENT'S ANTI-TRUST DIVISION TOOK A PRELIMINARY LOOK AT THE ANTI-TRUST IMPLICATIONS OF THE CLUBS FOR PURPOSES OF RESPONDING TO APCAC AT THE COM MEETING. JUSTICE CONCLUDED THAT, FROM THE LIMITED DATA AVAILABLE, THE SUBSTANTIVE ACTIVITIES OF THE INDUSTRY CLUBS WERE NOT WELL ENOUGH DEFINED TO MAKE AN ANALYSIS

FOR ANTI-TRUST PURPOSES. AS THE CLUBS TAKE FORM, JUSTICE WOULD ENCOURAGE US FIRMS INVOLVED TO REVIEW THE FACTS CAREFULLY WITH EXPERIENCED ANTI-TRUST COUNSEL AND, IF THERE IS ANY DOUBT ABOUT JUSTICE DEPARTMENT ENFORCEMENT INTENTIONS, TO TAKE ADVANTAGE OF THE JUSTICE BUSINESS REVIEW PROCEDURE. A REQUEST OF THIS KIND SHOULD REFER TO SPECIFIC

ACTIVITIES OF SPECIFIC CLUBS.

3. THE ABOVE POSITION REQUIRES US FIRMS ESTABLISHED IN THE ASEAN COUNTRIES TO FORM THEIR OWN JUDGEMENTS, WITH THE ADVICE OF COUNSEL, ABOUT INVOLVEMENT IN INDUSTRY CLUBS DURING THE FORMATIVE STAGES. THUS IT REMAINS A LIVE ISSUE. THERE ARE STILL MANY GAPS IN OUR KNOWLEDGE ABOUT THE CLUBS WHICH WE WOULD LIKE TO FILL, INsofar AS IS POSSIBLE, IN ORDER TO MAKE PROGRESS ON THIS SUBJECT IN FEBRUARY 27 MEETING WITH APCAC. WE REQUEST, THEREFORE, THAT ADDRESSEES DISCUSS CLUBS WITH US AND LOCAL BUSINESSMEN, INCLUDING CLUB OFFICERS WHERE AVAILABLE, TO SHED LIGHT ON SUCH ASPECTS AS MEMBERSHIP CRITERIA, INTERNAL ORGANIZATION AND PROCEDURES, NATURE OF ACTIVITIES, ETC. BOTH NATIONAL AND ASEAN LEVEL CLUBS SHOULD BE COVERED. AMONG SPECIFIC QUESTIONS THAT OCCUR TO US ARE: HOW WOULD A US OWNED FIRM BECOME A MEMBER; WOULD MEMBERSHIP BE OBLIGATORY IN SOME CIRCUMSTANCES? (JAKARTA 16826 REPORTS THAT NUMEROUS US FIRMS ARE MEMBERS INDIRECTLY THROUGH REQUIRED MEMBERSHIP IN LOCAL ASSOCIATIONS, LIMITED OFFICIAL USE

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WHICH IN TURN, ARE INDUSTRY CLUB MEMBERS.) WHAT IS THE LEGAL STATUS OF THE CLUBS, WHAT ARE THEIR STATUTES, WHAT IS THE NATURE OF THEIR STAFFING? WHAT KIND OF WORK ARE THE CLUBS DOING? ARE THEY ADVISING GOVERNMENTS, ACTING AS SPECIAL INTEREST LOBBIES, RECOMMENDING ACTIONS TO BE UNDERTAKEN BY THEIR MEMBERSHIP, OR WHAT? HOW ARE DECISIONS MADE? ARE CLUB DECISIONS BINDING ON THE MEMBERSHIP? WHAT KIND OF LINKS WITH GOVERNMENTS ARE THERE, INCLUDING MEMBERSHIP BY GOVERNMENT-OWNED ENTERPRISES, GUIDANCE, OR REQUESTS THAT THE CLUBS UNDERTAKE PARTICULAR TASKS? CAN US FIRMS PARTICIPATE OR OBSERVE INFORMALLY WITHOUT JOINING?

4. REQUEST, WITH OUR APOLOGIES FOR SHORTNESS OF TIME, THAT YOU RESPOND BY FEBRUARY 14. WE ARE NOT LOOKING FOR A COMPREHENSIVE REPORT COVERING ALL THE CLUBS; IT WOULD SUFFICE FOR NOW IF EACH POST COULD DRAW ON SOURCES KNOWLEDGEABLE ABOUT SEVERAL OF THE MORE FULLY ORGANIZED OR ACTIVE OF THE CLUBS. WE ALREADY HAVE THE ASEAN-CCI HANDBOOK PREPARED FOR THE NOVEMBER 1977 ASEAN-CCI CONFERENCE. VANCE

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